

The Feedbag

Getting Connected



MoDOT & Patrol Employees' Retirement System

July 2017

Volume #3



Director's Note

Wouldn't a crystal ball be handy? It could sure make many of life's tough decisions a little easier. Retirement choices would certainly be easier if we all could know what lies ahead. How long will I live? Will I have good or bad health? What will my spouse need in the future? What surprises, financial and otherwise, will I face in the years ahead?

Those questions, and many more, usually surface when it comes time to retire and a plan option or payment option must be selected. Absent a crystal ball, how do retirees choose which options are best for them?

We would not suggest individuals leave these choices to chance. So what should you do? Take all the information you think is important and use it to help make an informed choice. Will it always be the correct choice? Not necessarily, but at least you can say you did not flip a coin.

So what does MPERS provide to help members with the retirement plan and payment option decision (which, by the way, is an irrevocable decision)? We give you estimates for each option and an explanation of how they work. The estimates we provide show a monthly amount that represents the first payment a retiree would expect to receive depending on the payment option selected. That information is helpful but tends to make individuals think about the here and now rather than the long term. Something we have used behind the scenes as members have stopped by our office before retiring is a "comparison calculator." This calculator illustrates a longer term picture of how different payment options compare to one another over an anticipated lifetime. We are pleased to announce this once "behind the scenes" tool is now available online for all to use.

We could not agree on calling it a comparison tool or a calculator so we combined the names and labeled it **The CompaRATOR**. Sounds like a dinosaur, right? We thought it did so we ordained it with a mascot, which will help you easily find it on our website.



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We are very excited to share this powerful tool with you. It is not a crystal ball, but if used correctly it will add another valuable piece of information to the decision making process that hopefully leads to the best decision possible.

To learn more about The CompaRATOR, please continue on to our article on Page 2.

MPERS Board of Trustees



Due to the retirement of Major Kemp Shoun, a special election was recently held to fill the vacant position of our Highway Patrol Active Employee Representative. We are pleased to welcome Sergeant Matt Broniec to our Board of Trustees.

Also new to our Board since our last newsletter is Colonel Sandra Karsten. Colonel Karsten is an ex-officio member of our Board due to her position as Superintendent of the Highway Patrol. Please join us in welcoming Colonel Karsten to our Board of Trustees.



Did you know?

Taum Sauk Mountain, at 1,772 feet above sea level, is the highest point in Missouri.

One of the highest points in your career should be your retirement. As a defined benefit plan, MPERS is able to provide you with a stable monthly benefit to help you enjoy this time in your life...no fear of your account running out of money, like those that rely solely on a defined contribution plan.

You are working hard to earn your retirement. MPERS looks forward to being a part of this high point in your life.

The CompaRATOR

The CompaRATOR will help compare the value of your retirement benefit in two ways:

1. Closed Plan versus the Year 2000 Plan, and
2. Retirement with BackDROP versus retirement without BackDROP.



This interactive Microsoft Excel-based tool also allows you to change various assumptions such as the benefit payment option, the expected cost-of-living adjustment (COLA), the amount (i.e., years) of BackDROP you may desire, and whether or not you want to include the BackDROP lump sum when comparing benefits or if you simply want to look at the monthly retirement benefit.

The CompaRATOR is currently located under the *Online Forms* section of your *myMPERS* Secure Member Access. There are different versions of **The CompaRATOR**, depending on which plan you are a member of:

Closed Plan Members - provides estimated benefit amounts for the Closed Plan versus Year 2000 Plan (with or without BackDROP) throughout your lifetime. This will illustrate which plan provides the highest benefit at different ages throughout your retirement and which one pays the most over your lifetime depending on how long you expect to live.

Year 2000 Plan Members - provides a comparison of your estimated yearly and lifetime payout based on whether or not you elect the BackDROP at retirement.

2011 Tier Members - similar payment options are available to our 2011 Tier members; however, there are fewer choices which makes the payment option decision more straightforward. Subsequently, **The CompaRATOR** is not available to members of the 2011 Tier. These members can see their estimated benefit amounts by simply using the *Estimate a Benefit* feature under Member Information on the *myMPERS* website.

• The shading below indicates which benefit is greater at that time •

Estimated Monthly Benefit					Estimated Cumulative Life-Time Total				
Closed Plan	AGE	Year 2000 Plan	Life	Temp	Benefit as of	Closed Plan	AGE	Year 2000 Plan	Life
\$1,000.00	45	\$1,900.00	\$1,200.00	\$700.00	Retirement	\$11,120.00	45	\$20,900.00	
\$1,040.00	46	\$1,950.00	\$1,250.00	\$750.00	12/31/2030	\$23,724.00	46	\$44,110.00	
\$1,081.00	47	\$2,000.00	\$1,300.00	\$800.00	12/31/2031	\$36,833.70	47	\$67,800.36	
\$1,124.86	48	\$2,050.00	\$1,350.00	\$850.00	12/31/2032	\$50,467.07	48	\$91,956.42	
\$1,169.85	49	\$2,100.00	\$1,400.00	\$900.00	12/31/2033	\$64,645.64	49	\$116,595.05	
\$1,216.64	50	\$2,150.00	\$1,450.00	\$950.00	12/31/2034	\$79,391.33	50	\$141,727.64	
\$1,265.51	51	\$2,200.00	\$1,500.00	\$1,000.00	12/31/2035	\$94,726.88	51	\$167,362.32	
\$1,315.92	52	\$2,250.00	\$1,550.00	\$1,050.00	12/31/2036	\$110,676.84	52	\$193,509.76	
\$1,368.56	53	\$2,300.00	\$1,600.00	\$1,100.00	12/31/2037	\$127,262.78	53	\$220,180.15	
\$1,423.30	54	\$2,350.00	\$1,650.00	\$1,150.00	12/31/2038	\$144,513.17	54	\$247,383.91	
\$1,480.23	55	\$2,400.00	\$1,700.00	\$1,200.00	12/31/2039	\$162,453.50	55	\$275,131.70	
\$1,539.44	56	\$2,450.00	\$1,750.00	\$1,250.00	12/31/2040	\$181,111.58	56	\$303,434.53	
\$1,601.02	57	\$2,500.00	\$1,800.00	\$1,300.00	12/31/2041	\$200,407.91	57	\$332,527.88	
\$1,664.05	58	\$2,550.00	\$1,850.00	\$1,350.00	12/31/2042	\$220,356.45	58	\$363,425.52	
\$1,728.53	59	\$2,600.00	\$1,900.00	\$1,400.00	12/31/2043	\$240,960.73	59	\$395,159.15	
\$1,794.56	60	\$2,650.00	\$1,950.00	\$1,450.00	12/31/2044	\$262,331.70	60	\$427,744.20	
\$1,862.14	61	\$2,700.00	\$2,000.00	\$1,500.00	12/31/2045	\$284,426.46	61	\$460,780.22	
\$1,931.27	62	\$2,750.00	\$2,050.00	\$1,550.00	12/31/2046	\$307,161.61	62	\$495,151.50	
\$2,001.96	63	\$2,800.00	\$2,100.00	\$1,600.00	12/31/2047	\$330,462.85	63	\$531,941.88	
\$2,074.21	64	\$2,850.00	\$2,150.00	\$1,650.00	12/31/2048	\$354,230.11	64	\$569,967.70	
\$2,148.03	65	\$2,900.00	\$2,200.00	\$1,700.00	12/31/2049	\$442,471.75	65	\$618,286.20	
\$2,223.43	66	\$2,950.00	\$2,250.00	\$1,750.00	12/31/2050	\$467,200.22	66	\$677,962.15	
\$2,300.41	67	\$3,000.00	\$2,300.00	\$1,800.00	12/31/2051	\$492,422.27	67	\$739,048.55	
\$2,378.97	68	\$3,050.00	\$2,350.00	\$1,850.00	12/31/2052	\$518,148.77	68	\$801,606.73	
\$2,459.11	69	\$3,100.00	\$2,400.00	\$1,900.00	12/31/2053	\$544,389.77	69	\$865,646.06	
\$2,540.83	70	\$3,150.00	\$2,450.00	\$1,950.00	12/31/2054	\$571,155.62	70	\$931,176.20	
\$2,624.13	71	\$3,200.00	\$2,500.00	\$2,000.00	12/31/2055	\$598,456.82	71	\$1,000,000.00	
\$2,709.01	72	\$3,250.00	\$2,550.00	\$2,050.00	12/31/2056	\$626,304.08	72	\$1,070,443.43	
\$2,795.47	73	\$3,300.00	\$2,600.00	\$2,100.00	12/31/2057	\$654,706.26	73	\$1,142,510.64	

To use **The CompaRATOR**, you will need to run benefit estimates based on the information you have provided to compare. You will then enter information from your estimates and choose options from the drop-down lists provided in certain fields (or cells). Once you have entered the required information, **The CompaRATOR**, based on the information you keyed, will display your projected benefits for each option.

Year 2000 Monthly Base Benefit: ?

Year 2000 Monthly Temporary Benefit, if applicable: ?

If not choosing BackDROP, from the front of the Year 2000 Plan estimate

Benefit Payment Options	Retiree Base Benefit	Temporary Benefit*
Life Income Annuity	\$1,618.62	\$761.70
50% Joint & Survivor	\$1,451.90	\$761.70
100% Joint & Survivor	\$1,332.12	\$761.70

Or if choosing BackDROP, from the back of the estimate for the BackDROP date chosen

Years BackDROP Lump Sum Amount: \$66,048.26

BackDROP Date: 1/1/2014 Credited Service: 24y 9m 0d

Benefit Payment Options	Retiree Base Benefit	Temporary Benefit*
Life Income Annuity	\$1,293.02	\$655.54
50% Joint & Survivor	\$1,262.08	\$655.54
100% Joint & Survivor	\$1,163.17	\$655.54

Which benefit is greater at that time •

Estimated Cumulative Life-Time Total	Closed Plan	AGE	Year 2000 Plan
Benefit as of			

If you need help or require more information regarding a specific field, hover your mouse's cursor over the question mark to the right or left of that field and additional information will be displayed.

Once you have completed each comparison, you may wish to print the worksheet for your reference. Please note that these comparisons will not become part of your file with MPERS, so if you would like to discuss the information with a benefit specialist, you will need to provide them with your particular printout to review.



Legislative Update



The governor signed into law HCS SS SB 62 on Friday, July 14, 2017. This bill included three different points relevant to MPERS:

- 1. Pension forfeiture cleanup:** From a member perspective this was not a change but rather a modification that would help MPERS implement the law more effectively. This provision voids service and salary credit earned on or after August 28, 2014, for individuals convicted of certain felonies (stealing, forgery, counterfeiting, bribery, and acceding to corruption) in connection with their employment.
- 2. 2011 Tier vesting change:** The ten-year vesting requirement for the 2011 Tier will be reduced to five years effective January 1, 2018. There were also a few other changes to the benefits for vested former members of the 2011 Tier included in this bill. Those changes were communicated directly to our 2011 Tier members. There were no changes to the benefits for our Closed Plan or Year 2000 Plan members.
- 3. Vested former member pension buyout:** This provision will allow vested former members of the Closed and Year 2000 Plans that had terminated employment prior to July 1, 2017, to voluntarily elect a one-time lump sum payment in lieu of a future monthly benefit. Those former members eligible for the buyout will receive information from MPERS early this fall. The benefit to MPERS, by offering this limited time opportunity, is that it will eliminate a portion of our benefit liabilities at 50% of the full cost for those members electing the buyout.

The implementation of these provisions, particularly the buyout provision, will pose a material challenge to our staff over the coming months in terms of time and attention. We will appreciate your patience as we administer these provisions.



MPERS' Website

Hopefully by now you are familiar with our website, www.mpers.org. But have you taken the time to see what this site can do for you? Our website has over 100 pages filled with tools and information that are available to you 24/7.

We strive to provide you with all the information you need to make the best decisions possible for your individual situation. There are several publications available including handbooks, brochures, and financial reports as well as tools and calculators you can use along the way.

There is also a link to your *myMPERS* Secure Member Access, where you can access your personal benefit information, run benefit estimates, compare your benefit options with *The ComparATOR*, and even submit your *Notice of Retirement*.

Our staff is here to answer any questions you may have Monday – Friday, from 7:30 am to 4:30 pm. Our website is available anytime you need it.



myMPERS Secure Member Access Responsive Design - Coming Soon!!

This fall we will be updating the secure portion of our website to include responsive design capability. What does this mean? It means that soon you will be able to easily access and view your *myMPERS* secure information from several different electronic formats, including smartphones and tablets. Along with this change, we will also be making other improvements to help streamline our site and make it more user friendly. Look for more information to come once the transition has been completed.



MPERS Webinar Series



Within the last year, we have expanded our online resources and information library to include a variety of webinars covering topics such as disability, funding status, and plan specific information for members to provide an overview of their retirement benefits. These webinars can include up to 100 participants at a time and are then recorded so that even if a member can not directly participate in the webinar, they can still hear the material presented and the questions asked by other members. All of these webinars can be accessed on our website, www.mpers.org under the *Education on Demand* section. You can also click on the links shown above to directly view each segment.

We hope you find these webinars useful and informative. If you have any questions about your benefits, or the information provided, please feel free to contact our benefit specialists. They would be happy to answer any questions you may have.

Upcoming Events



Pre-Retirement Seminars

August 3, 2017	Sikeston
August 9, 2017	Springfield
August 10, 2017	Springfield
August 11, 2017	Joplin
August 25, 2017	Rolla
September 7, 2017	West Plains
September 15, 2017	Jefferson City

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"The Feedback" was conceived to get attention for a specific purpose—feedback. It worked! So well that we decided to keep the theme and return the favor by delivering important information to our members via these newsletters. Input on the content of these newsletters, or anything related to MPERS for that matter, is always welcome. Keep the exchange going and share your feedback with us at mpers@mpers.org.